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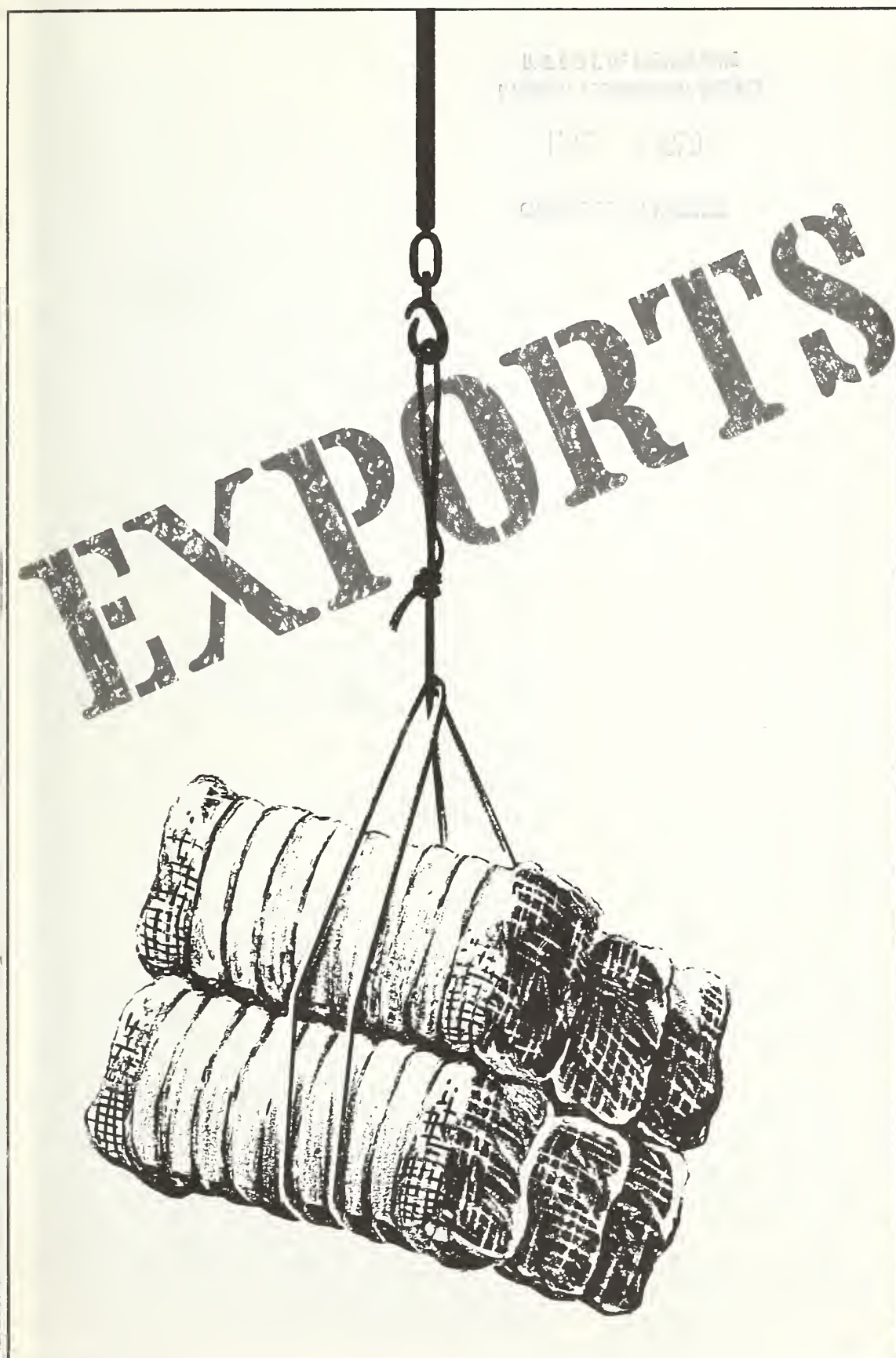
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FOREIGN AGRICULTURE

January 5, 1970

Outlook for
U.S. agricultural
exports
in 1970
and
report on
Soviet cotton

Foreign
Agricultural
Service
U.S. DEPARTMENT
OF AGRICULTURE



FOREIGN AGRICULTURE

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This week's cover:

U.S. exports for fiscal year 1970 are expected to top \$6 billion. For the full forecast see article beginning page 5.

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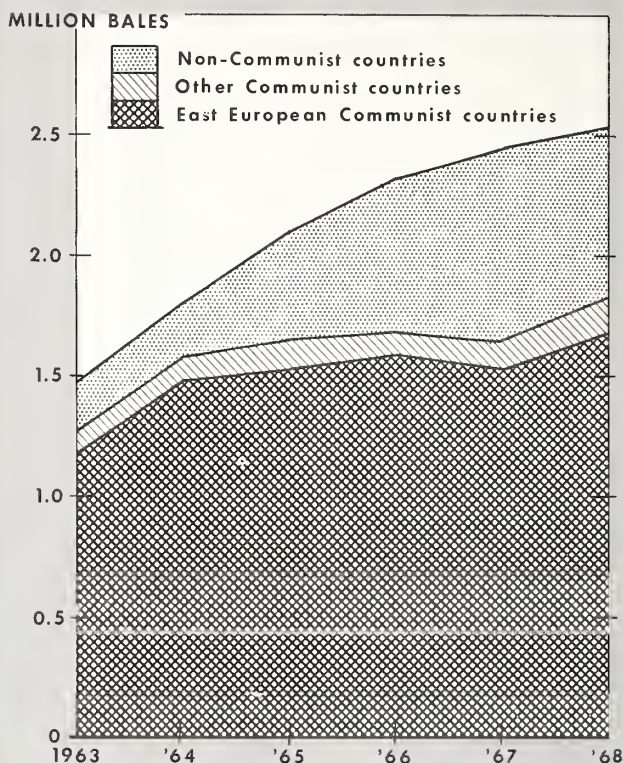
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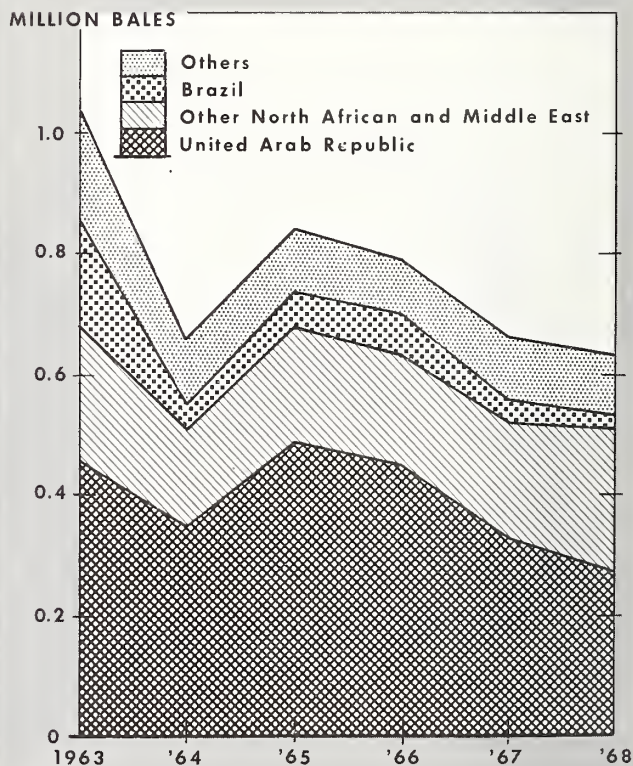
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USSR EXPORTS OF COTTON, 1963-68



USSR IMPORTS OF COTTON, 1963-68



USSR Cotton Production and Trade Trends

Cotton production in the Soviet Union appears to have reached a plateau during the past few years at a record high level of 9.3 million to 9.5 million bales (480 lb. net), except for 1969. Area in cotton (5.9 million to 6.1 million acres) has not changed much since 1961; but average yield per acre increased about 26 percent from 1961 through 1968—partly because of the added incentives of higher procurement prices offered by the Soviet Government. The USSR now holds second place in world cotton production, consumption, and export trade. The United States is in first place.

USSR Government plans at present call for a further increase in cotton production during the next few years to 10.9 million bales in comparison with a preliminary crop estimate for 1969 of 8.8 million bales. Attainment of this goal depends chiefly on continued progress in improving yields by greater use of fertilizer and by reducing damage from plant diseases and soil salinity (a byproduct of certain irrigation practices). Moderate increases in acreage are also planned. Plenty of new cotton land is available, and most of it is near present cotton areas.

But water supplies may not be adequate for the new cotton areas, which are more difficult to supply by means of gravity irrigation than cotton lands now in use.

All cotton acreage in the Soviet Union is under irrigation. However, no major reservoirs for water storage exist in the cotton-producing areas of the Turkistan desert, where about 70 percent of the USSR's crop is grown. Water supplies depend on continuous runoff during the summer from melting snow and ice in the high mountains on the Soviet Union's borders with northwest China and Afghanistan.

Since 1964-65 USSR cotton exports have ranged between 2.2 million and 2.5 million bales annually so that the country ranks second among cotton exporters. The first-ranking exporter most years is the United States. Before 1965-66, most of the Soviet Union's cotton exports were to Eastern Europe; only 10 to 15 percent (or 200,000 to 300,000 bales per year) were shipped to non-Communist countries. In 1965-66 a sharp increase began in exports to Western Europe, Japan, Hong Kong, and Canada. During 1967 and 1968 Soviet cotton exports to non-Communist countries totaled between 700,000 and 800,000 bales annually. The Soviet Union equaled Mexico, Brazil, Turkey, or Pakistan as a competitor with the United States for non-Communist markets for Upland-type cotton.

However, the high level of the USSR's cotton exports is made possible in part by an annual import volume of 500,000 to 800,000 bales—received mostly from Middle Eastern countries and Brazil in two-way trade-balancing programs.

Cotton consumption in the Soviet Union has expanded steadily in recent years as increased supplies have become available from domestic production and from imports. Consumption in 1968-69 was estimated at 7.8 million bales—1.0 million bales more than in 1964-65.

Review of the 1969 crop

The preliminary crop estimate of 8.8 million bales is about 5 percent less than the estimates for the previous 3 years.

The effect of increased area in cotton (about 255,000 acres) has been more than offset by reduced yield. The generally late and cool 1969 spring in the Soviet Union meant that cotton was planted several weeks later than is desirable in its relatively northern growing area. Further inclement weather necessitated replanting in large areas. In some places replanting more than once was needed. The shortened growing season held down yields, and wet and cold fall weather interfered with harvesting.

The USSR's chief cotton area in 1969, as in other years, was central Asia—particularly the area west of China and Mongolia, north of Iran and Afghanistan, and east of the Caspian Sea. The breakdown of 1968 cotton acreage, which is probably very similar to 1969 area, is as follows:

<i>Region</i>	<i>Cotton area, in thousands of acres</i>
Uzbek S.S.R.	4,005
Turkmen S.S.R.	695
Tadzhik S.S.R.	595
Kirgiz S.S.R.	185
Kazakh S.S.R.	110
Total central Asia	5,590
Azerbaijan S.S.R.	510
Total Soviet Union	6,100

It is interesting to note that the southern edge of the main cotton region is not much further south than the northern boundary of cotton growing in the United States.

More specifically, some important cotton-growing areas in central Asia are in the river basin of the Syr Darya (especially the Fergana Valley); along the lower part of the Amu Darya (also known as the Oxus River); in the river valleys of the Chirchik, Zeravahan, Kashka Darya, and Surkhan Darya; in the Hungry Steppe area; in the Murgab and Tedzhen river basins; in the Vaksh and Gissar valleys; and in the Chu valley. In Azerbaijan cotton is grown chiefly in the valleys of the Kura and Araks Rivers.

About 95 percent of the cotton grown in the USSR is of the Upland type. But the Tadzhik S.S.R. and the Turkmen S.S.R. both have important areas that produce Egyptian-type cotton. All varieties grown of either type have been domestically developed, and work continues in the Soviet Union

USSR COTTON AREA, YIELD, AND PRODUCTION

Year	Area <i>1,000 acres</i>	Yield per acre	
		<i>Pounds</i>	<i>1,000 bales</i> ¹
1960	5,415	603	6,696
1961	5,770	588	7,055
1962	5,900	545	6,719
1963	6,100	637	8,134
1964	6,100	645	8,253
1965	6,000	704	8,841
1966	6,100	732	9,342
1967	6,000	744	9,324
1968	6,100	732	9,278
1969	6,300	731	8,800 ²

¹ Bales are 480 lb. net weight. ² Preliminary estimate.

to come up with further new varieties. The emphasis is on chiefly early maturing ones because of the short growing season in the USSR's cotton lands.

Other efforts to increase production include greater use of fertilizers and stepped-up application of chemicals to control weeds, kill insects, prevent diseases, and defoliate plants just before harvest to help maturation and facilitate machine picking. (Soviet officials report that about 40 percent of the 1969 cotton crop was machine picked.) The most destructive insect now present in USSR cotton lands is the spider mite; and the chief cotton plant disease is wilt. Alfalfa is planted in rotation with cotton to help control wilt.

Soil salinity is a problem in some districts because of irrigation methods that are not completely modern and because of a scarcity of irrigation water in certain of the cotton-growing localities.

USSR's international cotton trade

The Soviet Union is basically a net exporter of cotton with annual outgoing shipments of 2.3 million to 2.5 million bales in the past few years. For the same period its imports ranged from 0.6 million to 0.8 million bales a year. Cotton exports are directed chiefly to Communist countries in Eastern Europe; but sales to non-Communist nations have climbed sharply in recent years and were over 800,000 bales in 1967 and over 700,000 bales in 1968. The Soviet Union is among the five principal competitors with the United States for markets for Upland-type cotton.

In both 1968 and 1966 cotton fiber was the Soviet Union's leading agricultural export in terms of value, with wheat in second place.

Large cotton imports by the Soviet Union, about half of which are Egyptian-type cotton from the United Arab Republic and the Sudan, are actuated by two important reasons. First, it is a USSR policy to accept available export products from other countries to balance and maintain two-way trade at the highest possible level. Second, most cotton mills are in the northern part of the Soviet Union, or more than 2,000 miles from the cotton-producing areas. Transportation of cotton from foreign sources to USSR mills is often more rapid and sometimes more economical than transportation of cotton from Soviet producing areas.

The Soviet Union has usually imported cotton that was more expensive than the fiber it has exported.

The USSR's cotton trade is not only in fiber but also in yarn and textiles. The Soviet Union both exports and imports

USSR COTTON EXPORTS, IMPORTS, AND NET EXPORTS

Year	Exports		Imports, ¹	Net exports,
	Fiber	Linters	fiber	fiber
	1,000 bales	1,000 bales	1,000 bales	1,000 bales
1960	1,795.4	64.3	886.9	908.5
1961	1,757.3	75.3	650.4	1,106.9
1962	1,578.1	95.5	689.9	888.2
1963	1,476.6	96.9	1,038.5	438.1
1964	1,807.8	92.8	665.5	1,142.3
1965	2,102.2	121.3	840.0	1,262.2
1966	2,332.3	136.9	793.2	1,539.1
1967	2,454.5	107.0	663.7	1,790.8
1968	2,546.3	45.9	628.3	1,918.0

¹ Import data include unspecified quantities of cotton purchased by the Soviet Union for the accounts of Eastern European countries and shipped directly to destinations from third countries.

cotton yarn, for example, but since 1963 it has been a net importer. In 1967 exports were 11.0 million pounds of cotton yarn, imports were 45.2 million pounds, and net imports were 34.2 million pounds. In 1968 net imports were down somewhat to 27.3 million pounds. At the same time the Soviet Union is a net exporter of cotton textiles and has been since 1960. Although net textile exports have fluctuated, the general trend has been a rapid increase in quantity. By 1968 net exports were up to 210.6 million linear yards. For both yarn and textiles, the Soviet Union has imported material that is more expensive per unit than its exports of the same commodities during each marketing year.

Internal consumption's effect on exports

Although increasing Soviet production of cotton can be expected to sharpen competition for exports in the world market, growing domestic consumption will act as a partial restraint. The average per capita use of cotton within the Soviet Union is still at a modest level, as can be judged from observing Soviet dress and the amounts of cotton fabrics and clothing available in stores. Cotton goods are also surprisingly high priced in terms of the official dollar-ruble ratio.

The use of cotton is much more important in the Soviet textile industry than is wool, flax, silk, and other natural or manmade fibers. However, the utilization of cellulosic fibers is developing rapidly.

Liberal Terms for Danish Cattle Exports to Tunisia

An agreement was recently completed for the sale of Danish breeding cattle, valued at \$1.07 million, to Tunisia. The sale will be financed from an interest-free Danish state loan of approximately \$2.7 million made to Tunisia under a Danish development assistance program.

To qualify for the financing, the breeding stock is classified as capital goods for development purposes; Danish aid legislation has provided interest-free loans for such goods since 1966. The repayment period for this type of loan is 25 years; however, no payment is required during the first 7 years of the loan's duration.

Handling the cattle sale is Breedania, a Danish cooperative organization established in 1960 to promote exports of Danish breeding cattle. The organization's main exports in the past have been to Eastern Europe, but sales to developing countries

in Latin America and Africa are now gaining in importance. Breedania's total cattle exports in 1969 are estimated at about 12,000.

The credit terms under which Denmark is exporting breeding cattle are more liberal than those provided in U.S. cattle exporting programs. U.S. breeding cattle may be exported under a Commodity Credit Corporation (CCC) arrangement in which the credit period is limited to 3 years. The interest charge under this program has been running around 6 and 7 percent in recent years.

Sales of breeding cattle have been possible under CCC export credit programs for the past year and one-half, but the first such transaction—a sale to Thailand—was concluded in October 1969. The sale involved 400 head of stock valued at \$175,000; the interest rate was about 7 percent.

U.S. Farm Exports in Fiscal Year 1970

By DEWAIN H. RAHE

JOSEPH R. CORLEY

Foreign Development and Trade Division

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U.S. agricultural exports in the fiscal year ending June 30, 1970, are expected to top \$6 billion, considerably higher than the fiscal 1969 level of \$5.7 billion. This would be below the 1966-67 record, but above the 1961-65 average of \$5.5 billion. Commercial sales for dollars, including barter for offshore procurement, are likely to account for about 85 percent of the 1970 export value, compared with 82 percent of a smaller total in 1969.

Exports should benefit from improved economic activity in a number of industrial countries—notably Japan and those in Western Europe. For July-October 1969, exports to Japan were up 27 percent. In Japan, rapid economic growth has prompted the government to encourage investment activities to hold down consumer demand. The Japanese real per capita growth rate in 1967-68 was 12.5 percent. Western Europe's economic expansion, which began accelerating in late 1966-67, appears to be continuing. Although growth was substantial in 1967-68 for most countries in this area, it was less spectacular than the Japanese rate.

U.S. export prices for many important agricultural commodities—especially wheat, soybeans, and protein meal—are now more competitive and probably will remain so through the current fiscal year. Larger volumes of protein meal and feedgrains are likely to be required to help maintain expanded herds and flocks in industrial countries, where higher meat consumption is related to increased affluence.

Competition, protectionism

Meanwhile, several developments of the past year will continue to hamper U.S. exports in 1969-70. With the world's large grain stocks, especially of wheat, competition is keen among countries exporting to grain-deficit countries. Further, the continued increase of wheat production in several traditional importing countries has brought reduced demand for that grown in traditional exporting countries. Wheat production in India and Pakistan in the current crop year will probably exceed the high levels of the 2 previous years.

A disquieting feature of international farm trade in 1968-69 was a trend toward more protectionism. By maintaining high price supports in the system of variable levies, the EC has insulated its domestic market in considerable degree from foreign competition. Such practices by the EC, as well as by Japan and other major foreign markets, tend to restrict trade development.

U.S. agricultural exports during July-October 1969 totaled \$2,056 million, 9 percent above their value a year earlier. This increase resulted primarily from a larger export value of fruits and vegetables, feedgrains, oilseeds and products, and tobacco. Shipments of cotton and wheat and flour were lower. During the first 4 months of the current fiscal year, agriculture's share of total U.S. exports was about 16 per-

cent, compared with 17 percent a year earlier. A rise of 12 percent in nonagricultural exports, added to the 9-percent increase in agricultural shipments, resulted in a 12-percent overall increase in U.S. exports for July-October.

A look at prospects for individual commodities follows.

Grains and preparations

The value of U.S. grain and grain preparation exports is expected to increase somewhat from last year's \$2,069 million. While rice, barley, sorghum grains, and oats may finish the current fiscal year with lower export values, the total value of feedgrain shipments is expected to be somewhat higher, primarily as a result of the substantial increase anticipated in corn exports, which may be up considerably from last year, despite a possible slowdown in movement during the second half of 1969-70.

The volume of wheat and wheat product exports will be up from the 544-million-bushel outcarry in 1968-69, mainly because of a rise in shipments to non-EC areas of Western Europe and to Japan. EC countries probably will reduce their wheat imports from third countries. With this year's output likely to be down in Portugal and several other West European countries, import requirements will increase to meet the shortage. In other areas, Japan's imports are expected to gain this year after remaining stable for the last 2 years. India's and Pakistan's current production levels indicate little pickup in their wheat imports from last year's level although the desire for some buildup in buffer stocks and the availability of food-aid assistance may induce some increase. Overall, keen competition will continue as a result of further stock buildup in the major exporting countries.

The prospective rise in corn shipments may boost the total value of feedgrain exports in 1969-70 by 10 percent or more. The anticipated rise in U.S. feedgrain shipments is supported by the fact that demand for feed has continued strong in the major industrial countries.

Exports of rice, which declined slightly in 1968-69 from the record high of 41 million hundredweight the previous year, probably will decline further in 1969-70. Most of the decline is expected to take place in food-aid shipments. Commercial exports to Western Europe may continue at last year's level or even be slightly higher.

Oilseeds and products

These exports continue to be a bright spot in the U.S. agricultural export picture in 1969-70 (see *Foreign Agriculture*, December 22, 1969). They have shown an annual compounded growth rate of 9 percent since 1960. The export value increase for oilseeds and products will probably be more than 5 percent in 1969-70, while the quantity may increase as much as 15 percent.

Exports of soybeans are expected to total 335 million bushels, a third of U.S. production. European producers are continuing to stress efficiency in their livestock production, which requires the use of high concentrates of protein; this

is bolstering U.S. soybean exports to that area. Exports to Japan are expected to increase in fiscal 1970 from the previous year's 70 million bushels because of lower U.S. prices, little change in imports from Mainland China, and further expansion in the livestock industry.

Cottonseed and soybean oil exports may increase by one-fifth; in 1968-69 they totaled 1,004 million pounds. The significant factor is the expected increase in cottonseed oil shipments under government-financed programs. P.L. 480 shipments to developing countries are expected to expand somewhat, and the CCC is offering cottonseed oil for sale to certain countries. However, the large quantities of oil extracted from U.S. soybeans overseas will limit the amount of both cottonseed and soybean oils that the United States can export to Western Europe and Japan.

Exports of oilcake and meal will continue to increase, reflecting the high price of feeds in Western Europe. Shipments of soybean oilcake and meal are expected to rise about 10 percent from 3.1 million tons in 1968-69. This prospect is based on lower U.S. prices, greater use of high-protein rations overseas, and higher fishmeal prices.

Tobacco

Tobacco exports in fiscal 1970 probably will approach the previous year's level of 571 pounds valued at \$507 million. The high quality of this year's flue-cured tobacco and the continuation of U.S. export-payment programs will encourage sales of U.S. tobacco in principal foreign markets. In addition, U.S. tobacco stocks in a number of major foreign consuming countries are at relatively low levels. Continued U.N. economic sanctions against Rhodesia will aid U.S. exports.

However, U.S. exports continue to face a number of adverse situations, such as increased use of filter cigarettes in foreign markets, the continued tobacco/health controversy, and higher prices for U.S. leaf compared with many foreign tobaccos. It is still too early to determine what impact the EC's Common Agricultural Policy may have on future purchases of U.S. tobacco. The United Kingdom still has preferential arrangements with Commonwealth producers, which hinder U.S. exports to this large market. About 95 percent of U.S. exports will be commercial sales for dollars; this also includes barter for offshore procurement.

Cotton

Prospects for U.S. cotton exports are not encouraging, mainly because of the large carryover stocks in many foreign Free World countries and continued weakness in demand for cotton in nearly all countries because of heavy inroads by manmade fibers. Export prospects for 1969-70 currently indicate a total of about 2.8 million bales, about the same as shipments in 1968-69. However, recent downward revisions in foreign cotton crops indicate that prospects for U.S. exports may improve later. Although world cotton exports are expected to increase by nearly a million bales from last season's 16.2 million, the gain will be registered by foreign Free World producers. The U.S. crop is estimated at 10 million running bales, down 8 percent. U.S. mill use is expected to be about the same as in 1968-69 although a portion of this will come from above-average holding by the trade.

Worldwide use of cotton continues to meet increasing competition from manmade fibers. World output of manmades in 1968 totaled the equivalent of about 51 million bales of

cotton, a 19-percent increase over 1967 output. World producing capacity is expected to expand 17 percent from 1968 to 1969, based on past and projected gains. The United States is the world's largest producer, but production is expanding in Japan, Italy, Belgium, West Germany, and the United Kingdom, as well as in some of the Communist countries.

Animal products

Current indications are for sales of animal products about equal to last year's. During July-October 1969-70 exports were up 10 percent from the corresponding period a year earlier, with increases in meats and meat products; fats, oils, and greases; and hides and skins.

For the entire year, pork exports are likely to surpass the high 1968-69 levels. The increased exports will go mainly to Japan, where meat production has not kept pace with rising consumer demand. Even though Japanese imports are closely controlled, the pork import quotas have been increased sharply in an effort to satisfy the Japanese consumer demand. U.S. marketings of variety meats in Western Europe should continue strong during the current year. Shipments to the European Community in the first 4 months of 1969-70 totaled \$12 million, up 29 percent from those of the same period a year earlier.

Exports of animal fats, oils, and greases are expected to rise in value although quantity will be somewhat smaller than that shipped in 1968-69. Shipments of inedible tallow will likely be below the 1,982 million pounds exported in 1968-69; however, favorable prices will bring an increase in value. Lard exports probably will gain in both value and quantity.

Exports of hides and skins should total about 20 million pieces, compared with about 21 million in 1968-69. Although hide-and-skin exports now represent about 38 percent of U.S. production, continued use of synthetic materials will cause increasing competition in this trade. However, U.S. exports currently are favored by large domestic supplies at a time of strong foreign demand.

Poultry meat shipments may be slightly higher as the United States continues to subsidize poultry exports to Switzerland. This support was initiated during the past fiscal year so that U.S. poultry shippers could better compete with subsidized exports from the EC. EC variable levies have effectively discouraged imports of U.S. poultry by its six member countries. However, U.S. poultry meat is competitively priced in other major world markets.

Fruits and vegetables

The outlook for 1969-70 is for an increase in exports of both fruits and vegetables. Fruit exports are expected to surpass the 1968-69 level of \$291 million by 10 percent, and vegetable shipments are anticipated to increase by 5 percent from the previous year's \$170 million.

The United States is a net exporter of fruits and vegetables, with a favorable trade balance of \$65 million in 1968-69. Canada is the United States best customer. The Caribbean islands are taking increasing quantities to meet the growth in tourists' demand for quality fruit. However, shipments to Europe are meeting with increased competition, particularly evident in some processed products—canned pineapple, peaches, and asparagus. Further competition is resulting from expanded fruit production in many importing countries.

The following article is the fourth in a series Foreign Agriculture is running on major items in the farm trade of Middle East and African nations important to American agriculture.

Highlights of the Agricultural Trade of the UAR (Egypt)

By CLINE J. WARREN
Foreign Regional Analysis Division, ERS

The major market for the agricultural exports and imports of the UAR (Egypt) is in the Soviet Bloc countries. The importance of these countries as trading partners with Egypt has largely developed in the last decade. Traditionally, Western Europe was Egypt's major trading partner. And, during the first part of the 1960's, the United States—primarily with Public Law 480 shipments—supplied an increasing share of Egypt's growing food needs; but during the second part, U.S. imports have declined to near their 1955 level.

Less than 7 percent—by value—of all Egyptian imports came from Soviet Bloc countries in 1955. In 1967 the figure was close to 47 percent. During the same period, exports to Communist countries increased from 27 percent to 54 percent of total Egyptian exports. In 1968 and 1969 there was very little indication of any significant change in these

SELECTED IMPORTS OF EGYPT

Commodity and country of origin	Average 1957-59	1965	1966	1967
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Wheat	51,550	89,783	98,455	126,580
USSR	23,061	13,951	—	73,192
Romania	—	—	—	21,781
United States	7,837	56,861	79,541	10,608
Greece	—	—	4,924	5,084
France	—	4,907	—	4,316
Bulgaria	—	—	—	3,831
Wheat flour	18,664	52,080	52,038	53,187
Spain	5,767	4,265	200	21,779
Italy	1,140	10,491	7,250	15,200
West Germany	—	10,215	8,427	7,451
France	2,207	8,708	7,376	5,560
United States	4,519	17,603	28,784	—
Tea	20,355	30,087	32,376	32,716
India	11,765	19,426	23,708	21,887
China (Mainland)	3,313	6,602	8,308	5,600
Ceylon	4,579	4,027	319	4,698
Tobacco	15,138	18,689	18,939	17,407
United States	5,702	8,927	10,573	7,675
Greece	1,426	2,427	2,488	2,143
Yugoslavia	1,009	1,040	1,017	1,651
China (Mainland)	1,078	936	1,043	1,459
USSR	361	—	203	243
Cottonseed oil	3,863	8,960	3,362	16,776
United States	—	8,635	3,036	9,603
China (Mainland)	3,281	—	—	3,602
Sudan	533	—	—	2,131
USSR	—	—	—	574
Animal fats and oils	9,071	11,306	12,148	12,079
United States	6,522	9,725	9,620	9,674
West Germany	1,003	834	769	687
USSR	—	—	—	619
Other agricultural imports.	50,082	71,704	98,473	84,652
Total agricultural imports	168,723	282,609	315,791	343,397
Total imports	608,431	934,000	1,070,000	787,800

Data for 1966 and 1967 from United Nations' Runs, earlier years from various issues of *Monthly Summary of Foreign Trade*, UAR Department of Statistics and Census.

SELECTED EXPORTS FROM EGYPT

Commodity and country of destination	Average 1957-59	1965	1966	1967
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Cotton	329,256	336,714	329,811	279,596
USSR	80,817	93,867	95,973	71,114
Czechoslovakia	38,947	36,779	35,706	26,800
India	17,740	21,258	35,121	23,559
Japan	18,488	18,346	12,850	17,423
Italy	9,727	13,544	16,065	15,802
Spain	1,308	—	8,757	13,459
Poland	15,968	12,996	10,850	10,511
France	10,110	11,046	9,672	10,339
Romania	2,370	13,772	15,361	10,236
Yugoslavia	5,118	11,959	12,994	10,112
East Germany	17,712	10,851	8,632	8,905
China (Mainland)	35,354	30,754	19,916	8,807
United States	9,586	8,980	9,189	8,296
Rice	25,209	45,553	48,764	68,532
USSR	3,552	8,878	12,088	24,370
Philippines	—	—	519	9,016
India	—	3,893	5,224	6,625
Czechoslovakia	1,041	2,574	3,661	2,837
Cuba	—	4,112	1,697	1,980
China (Mainland)	—	8,870	4,721	1,924
Vegetables	13,753	26,279	24,897	29,227
United Kingdom	2,738	3,013	4,651	5,273
West Germany	2,021	2,379	2,640	3,932
USSR	—	2,128	1,796	2,354
Netherlands	2,299	1,696	485	2,189
Cuba	—	1,338	1,098	1,399
Peanuts	3,617	1,619	2,627	2,987
Hungary	—	—	460	678
Czechoslovakia	397	—	434	581
USSR	—	224	—	544
Bulgaria	—	165	—	228
Other agricultural exports.	12,562	17,998	16,501	14,619
Total agricultural exports	384,397	428,163	422,600	394,961
Total exports	466,089	605,000	604,900	566,300

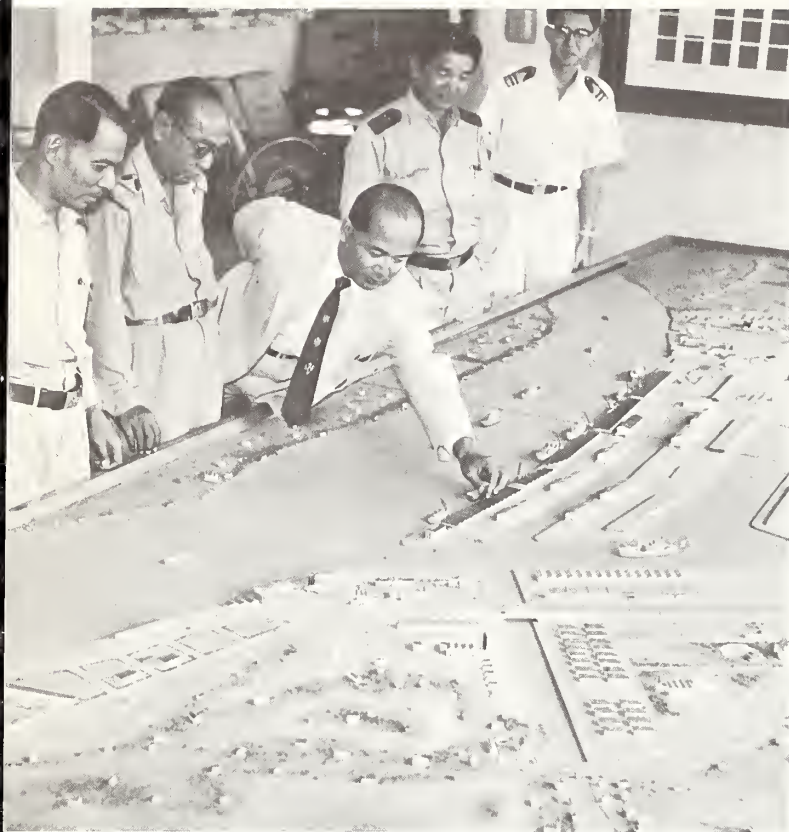
Data for 1966 and 1967 from United Nations' Runs, earlier years from various issues of *Monthly Summary of Foreign Trade*, UAR Department of Statistics and Census.

trends, although detailed data of Egyptian agricultural trade are not yet available.

Egypt's foreign trade is virtually a monopoly controlled by the state and regulated by a strict exchange control system. In recent years, much of the trade has been carried out under some form of barter arrangement. The implementation of an austerity program and expanded exports reduced the country's trade deficit in 1968 to \$71 million from the 1966 high of \$465 million. Preliminary data suggest that this deficit reduction continued during the first 6 months of 1969—in spite of the continued closure of the Suez Canal and reduced earnings from tourism.

Although efforts have been made to promote diversification, Egypt's foreign agricultural trade continues to be dominated by relatively few commodities. Cotton and textiles account for the major share of all foreign exchange earnings. Imported food needs—primarily wheat and wheat flour—are

(Continued on page 13)



Above, central planners look over a model of the Klongtoi Terminal at Bangkok. Right, a \$7.8-million World Bank loan helped improve the Port of Napier, New Zealand. Below, wheat is being unloaded with the new mechanical equipment at the Port of Santa Maria, Colombia, the country's Caribbean outlet.



World Bank Loans



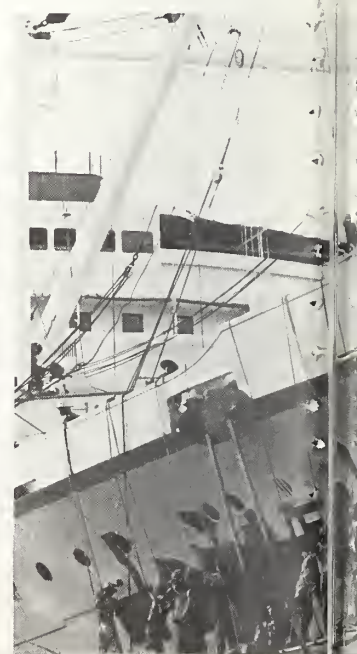
Embassy of New Zealand photo



United Nations photo



Left, a go-
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of Laga
of Istanbul



Left, new overpass, Port of Karachi. Below, Calcutta's port, being expanded to handle 7 million tons of traffic annually.



United Nations photo

Help Improve Ports

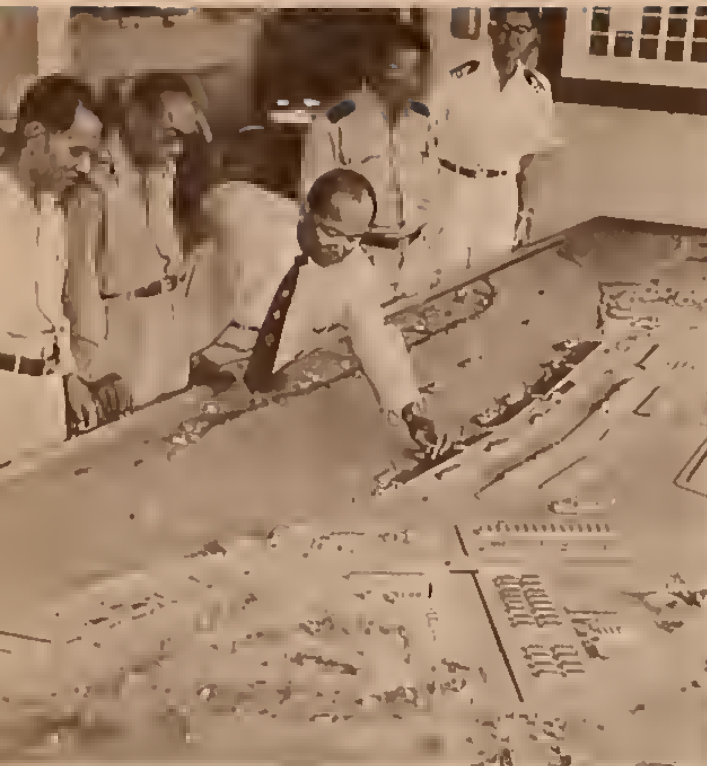
The oceangoing commerce of any nation is measured largely by the ease of access and efficiency of its ports. Congestion, extensive hand labor, haphazard dispatching, and shallow harbors slow the export of local products and delay and limit imports.

In many of the developing countries, planning and investment are turning antiquated ports into modern ocean terminals. Harbor bottoms are being deepened, ship berths widened, and docks being added. Separate facilities are being built for some specific products, such as grain. Traffic patterns in and around the ports are being improved, and railroads are being brought to the ships.

This improvement is going on at considerable expense, a large part of it borne through loans from the International Bank for Reconstruction and Development (World Bank). The World Bank photos on these pages show some of the ports developed with the loans.

*of hides unloaded at Callao, Peru. A \$2.5-million loan is modern-
Below, dockworkers paint the hull of a ship docked at the Port
Nigeria; right, a gentry crane frames Hagia Sophia at the Port
developed over a period of years by a \$12.5-million loan.*





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United Nations photo

World Bank Loans Help Improve Ports



Embassy of New Zealand photo

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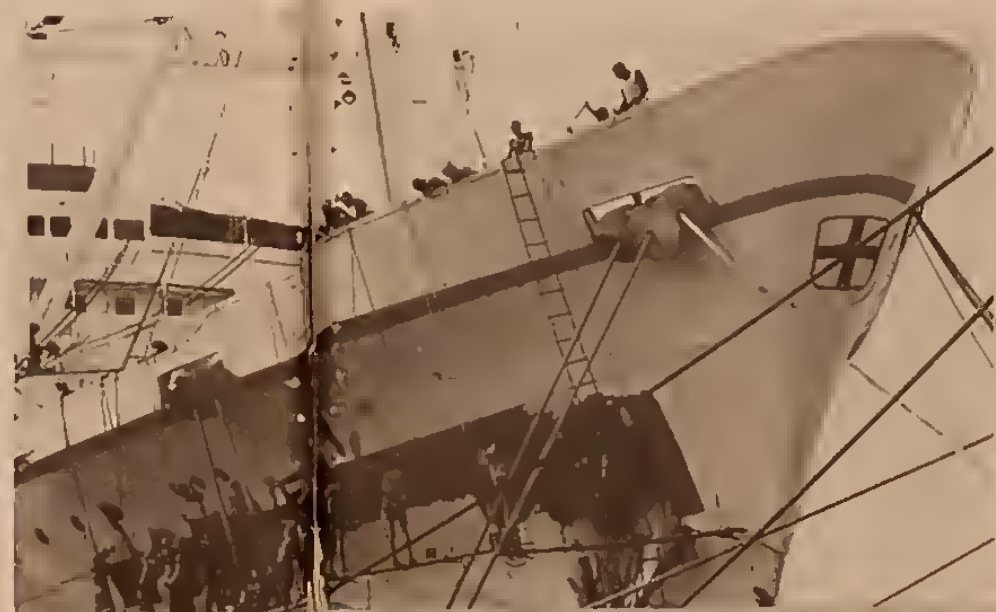
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United Nations photo



Left, cargo of hides unloaded at Callao, Peru. A \$2.5-million loan is modernizing port. Below, dockworkers paint the hull of a ship docked at the Port of Lagos, Nigeria; right, a gentry crane frames Hagia Sophia at the Port of Istanbul, developed over a period of years by a \$12.5-million loan.



New Zealand Expands Fruit-Processing Plant

By W. GORDON LOVELESS

U.S. Agricultural Attaché, Wellington

In September of this year the Honorable Brian Talboys, New Zealand's Minister of Agriculture, formally opened a US\$750,000 addition to the processing facility of the New Zealand Apple and Pear Marketing Board—a cannery located at Nelson in the heart of the country's largest fruit-growing area.

The Nelson Apple Cannery, which processes pears as well, has been handling around 700,000 bushels of the two fruits, about 14 percent of the total for which the Board has marketing responsibility.

The new addition, housed in two large buildings next to the older plant, contains facilities that will enable the cannery to extend both its range of products and quantity of fruit handled. A major addition is a winery.

As Minister Talboys remarked on opening day, the project is more than an extension of a building. It is also a venture into new techniques and products that can help find outlets for the products of New Zealand's expanding orchard industry. The Minister also pointed with pride to the share of the United Kingdom's canned apple market supplied by New Zealand and to the availability of New Zealand fruit juice and applesauce in the shops of Singapore, Hong Kong, Trinidad, Guyana, Mauritius, the Seychelles, and the Pacific Islands. He said that New Zealand is the world's largest supplier of pie apples in cans.

Currently the Apple and Pear Board has responsibility for marketing slightly over 5 million bushels of these fruits a year (out of a total production of about 5.4 million bushels). About half of this is consumed locally and half exported.

The Board, which was created in 1948 by the New Zealand Government at the request of fruitgrowers, buys the fruit from the growers, then sells it on the Board's behalf. The grower is guaranteed an average price for fruit submitted to the Board.

Since the creation of the Board, the country's total crop has more than doubled—from 2.3 million bushels in 1949 to 5.4 million bushels in 1968. Projections based on new orchard plantings indicate that the Board will have 8 million bushels to dispose of by 1975.

Because the New Zealand population growth has been low or negative in recent years and because its apple and pear consumption per capita is already high, the amount that must find markets overseas will also grow considerably.

Cannery opened in 1962

For some time before 1962, when the Nelson apple and pear cannery went into production, the Apple and Pear Board realized that the increasing quantity of fruit that was being rejected for export packing because of size, color, or shape was making it difficult to maintain economic prices for fruit sold locally. After a careful study of overseas supplier operations—particularly those in British Columbia, Canada—the Board built the cannery in Nelson to utilize the rejected fruits.

Initially the cannery was equipped to handle 250,000 bushels

of apples and pears, but was expanded rapidly to the 700,000-bushel capacity. Of the cannery's current \$1.68 million gross sales, 40 percent comes from overseas marketings.

The main products canned are pure apple juice, apple and lime juice, apple and orange juice, apple slices, applesauce, and apple pie filling. These are packed under the widely advertised trade name of Fresh-Up. In addition, several export packs are produced under the New Zealand Fernleaf brand, also used as a national export trademark on a wide variety of other products for export. Packed under this brand are stewed apples, canned pears, solid pack apples, sieved apple, and solid pack pears.

New facilities

The two new buildings contain some of the most modern and ingenious handling equipment in the world. In the receiving department, orchard-run fruit is delivered in bulk bins to a moving conveyor which takes the fruit and container automatically through a sorting unit that separates the fruit into large, medium, and small sizes—at the rate of 500,000 pounds per day. The sorted fruit moves from the receiving unit in one of two directions.

Small and large fruit go directly to the concentrating department where a giant hydraulic press is capable of extracting the juice from 10 tons of pulp per hour, yielding about 80 percent juice by weight. The extracted juice is next passed through a concentrator; the first 10 percent is for ester recovery and the second is reduced to a 7:1 ratio. Fifteen 10,000-gallon stainless steel storage tanks are installed that are capable of holding the concentrate at 33°F. until required for juice or apple wine preparation.

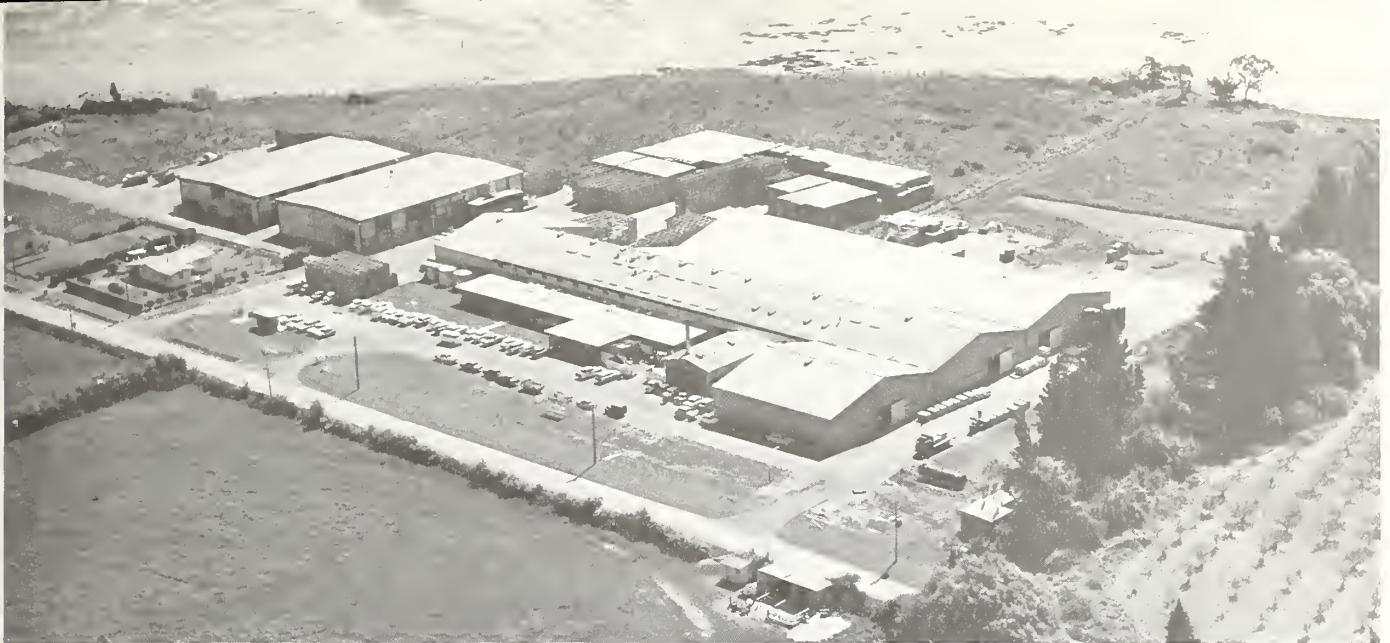
Medium-size fruit is moved from the sorter to the cannery for peeling; it is used either in the making of applesauce or in solid packs.

It is estimated that by 1975, some 1.5 million bushels of apples and pears will be processed—double today's amount.

It is the realization of the need for new markets to move this rapidly expanded supply which motivated the move into new lines made possible in the expanded facilities. The flexibility hoped for in the storage of up to 150,000 tons of concentrate juice should allow the Board to fit production of finished product to demand. The new products made possible—such as sparkling and still apple wines and new fresh juice combinations—are expected to yield a diversification of high merit in market development activity.

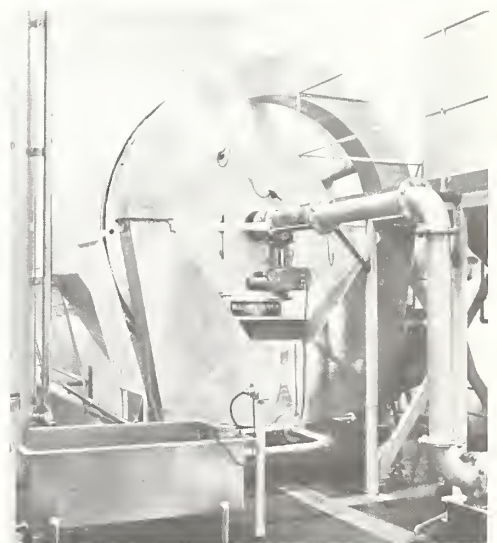
Apple wine has been produced by local bottlers for many years, but has not been widely accepted. Under the plan of the Apple and Pear Board, wine from the new process will be of a much higher quality and it is hoped will have a much higher level of consumer acceptability and demand. The capacity of the wine-making section of the new plant is 100,000 gallons a year. The limiting factor is the capacity of the fermentation tanks, since the bottling section can handle a much greater amount. Additional capacity can be added by the simple process of adding more tanks.

Marketing of the apple wine product is a new venture for



The Nelson Apple Cannery.

Right, thousands and thousands of apples pass through this flotation tank each day, on their way to the inspection, grading, and packing tables. Below, medium-sized apples are transported direct from an automatic sizing unit to a part of the cannery where they are peeled automatically. Below right, other apples go to the concentrating department where this giant press extracts juice from pulp. Juice is held in storage tanks until needed for preparing juice or wine.



the Board, and little can be predicted for its possibilities until the product has been tested for consumer acceptance locally. The growing popularity of fruit wine with the New Zealand public and the shortage of domestic supply lend confidence to the Board in the market possibilities that the winery opens up.

Board's good record

A brief review of the operations of the New Zealand Apple and Pear Board reveals a history of good management.

In 1949 the Board sold in seven export markets; in 1968 it sold in over 40. In 1949, the Board had no cold storage; it now has 23 cold storage facilities and is experimenting with controlled-atmosphere storage to further extend the market life of its products. The Board's foreign exchange earnings from export sales of both fresh and processed products

rose from about \$784,000 in 1949 to about \$14.5 million in 1968. Of the 1968 sales, a little over \$1 million worth were to North American markets; Canada took the largest share of those, but a substantial \$349,594 went to the United States, with only about \$8,000 worth in processed items. In 1969, the Board reported a doubling of sales of fresh fruit in the United States, but no canned fruit sales.

The failure to capture a continuing market for the canned fruit—mostly applesauce—in the United States was said to be, in part, a result of the fine sieved consistency of the New Zealand applesauce, which was not accepted by the U.S. consumer. This applesauce was packed under the label of its U.S. distributor. Such contract packing under labels of the buyer is done both within the domestic market and in several customer countries; however, the bulk of sales have been made under labels owned by the Board.

Turkey Attains Self-Sufficiency in Vegetable Oil

By YUSUF Z. DURUSOY

Senior Technical Specialist

Office of the U.S. Agricultural Attaché, Ankara

A decade ago Turkey was importing about one-third of its total vegetable oil requirements under the P.L. 480 program; today, as a result of stepped-up production, it has not only become self-sufficient but in 1968-69 was able to export about 25,000 metric tons of olive oil.

Olive oil, cottonseed oil, and sunflowerseed oil are Turkey's main vegetable oils. There is also some production of sesame-seed oil, soybean oil, and other oils which are of minor importance. Total production of vegetable oils climbed from 106,500 metric tons in 1959-60 to 304,200 metric tons in 1968-69. The drive for expansion of vegetable oil production has been supported by the government and union groups. The government has established high support prices for olive oil, cottonseed oil, and sunflowerseed oil and grants a tax rebate for olive oil exports.

Per capita consumption of vegetable oil in Turkey is low—about 15 pounds in 1968—but is expected to increase as local production and incomes rise.

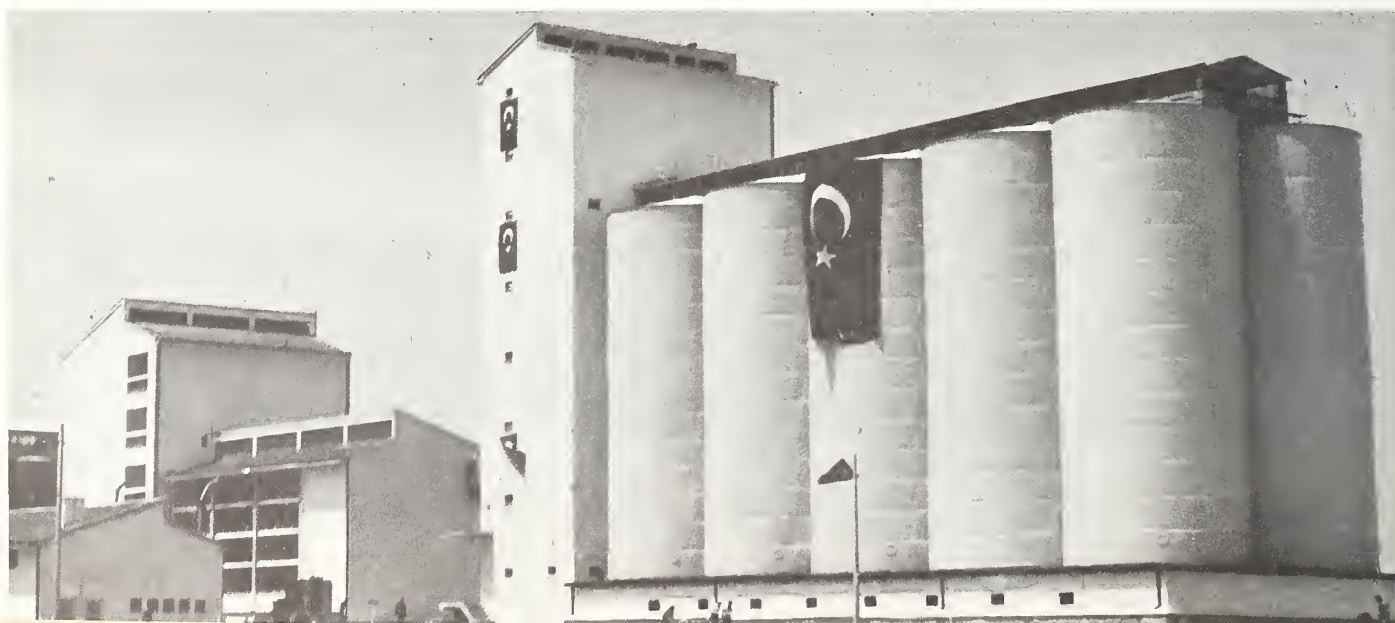
Though olive oil production follows an on-year and off-year cycle it has shown a generally upward trend in Turkey during

the past decade. The number of olive trees has increased at an average rate of about 1.6 million annually through new plantings, grafting, and other improved cultivation practices, and olive oil production has risen from 45,000 metric tons in 1960-61 to 135,000 tons in 1968-69 (high-production on-years). Because 1969 is an off-year, olive oil production dropped to only 50,000 tons. The government encourages olive oil production by means of support prices (57 U.S. cents per kilogram at the present time) and production credits through the unions. Some measures are also taken to promote olive oil exports, such as quality controls and tax rebates. The tax rebate was increased from 3 percent in 1968 to 9 percent now.

Export story

In the past, olive oil exports have followed a trend parallel to production because of the limited storage capacity and the cyclical nature of the crop. However, in an effort to stabilize the local market and also provide an even flow of exports, large-capacity storage terminals or tanks for olive oil have recently been built. During normal production years 70 to 75 percent of the total olive oil produced is used for cooking and salad dressing, 10 to 15 percent is used in industry, and 15 to 20 percent is exported.

Turkey's first soybean processing plant, pictured above, is located at Ordu.



The production of cottonseed oil has more than doubled during the last 10 years—from 33,000 metric tons in 1959-60 to 78,000 metric tons in 1968-69. Cotton has been Turkey's most important export crop and its production has been strongly supported—the current support price is 47 U.S. cents per kilogram. However the expansion of cotton acreage has been halted and existing acreage reduced by about 7 percent in 1969 because some high-yielding Mexican wheat varieties have been introduced to the cotton growing areas of Turkey in order to close the gap between production and demand for wheat.

Cottonseed oil production reached a record level of 84,000 metric tons in 1967 but dropped to 78,000 metric tons in 1968 and is expected to be even lower during 1969. However, as new irrigation projects are completed in the southeastern part of Turkey, more land will be devoted to cotton and there will be a consequent increase in cottonseed production. Most of the cottonseed oil is used in the margarine and shortening or vegetable ghee industry, and a small percentage is utilized as liquid oil for cooking, especially in the rural crushing and producing areas.

Sunflowerseed oil, Turkey's third most important vegetable oil, was first introduced in that country in 1930 by the Turks who had immigrated from Bulgaria and Romania; it is now one of the main crops for the northwestern area—particularly in Thrace—and has been extended to other areas of Turkey.

About 10 years ago sunflowerseed oil production had reached 24,000 metric tons but because of attacks by the broomrape parasite, acreage was drastically reduced and by 1962 oil production dropped to 10,800 metric tons. Continuous efforts were made by both government and private groups to help sunflower producers. The seeds of new varieties which had higher resistance to broomrape and also more oil content were obtained from Russia and other Balkan countries, multiplied at government seed breeding stations, and distributed to farmers on easy terms. As a result of these efforts oil production reached 74,000 metric tons in 1968 and is estimated to reach 100,000 tons in 1969. The current support price is 48 U.S. cents per kilogram.

Other vegetable oils

Annual production of sesameseed oil normally ranges from 7,000 to 10,000 metric tons, but it reached 12,000 metric tons in 1968. Most of this oil is used in preparing halva, a Turkish dessert. Only about one-third of the sesameseed is crushed for oil, the rest is sprinkled on various bakery products.

Production of soybean oil, corn oil, and poppyseed oil amounts to only 5,000 to 6,000 metric tons a year and is not of much economic importance. Around 1955, local prices for filberts and corn—the main crops of the eastern Black Sea area—were not very satisfactory and farmers of the region were looking for other crops. Some trials with soybeans gave good results and in the early 1960's a soybean crushing mill was constructed at Ordu with the hope that Turkish soybean production would increase to supply the total capacity of the plant. However, corn and filbert prices became more favorable and soybean production dropped from 7,700 metric tons in 1958 to about 5,000 metric tons in 1964. Although 1968 production was about 8,000 metric tons it is still far from meeting the total requirement of the plant. Importation of soybeans for processing at the Ordu plant may be considered since the meal could be utilized in the mixed feed industry.

Crushing industry

At the present time most of the crushing is done in plants using the screwpress or "expeller" and only a very few mills have the modern solvent-extraction system. However, some hydraulic mills are still operating and about 7 percent of the oil is left in the cake. The olive oil extraction rate is about 20 percent of the total olives crushed. Some of the cake is then reprocessed to produce sulfur oil, which is used in the soap industry.

Most of the older olive processing plants have a low capacity and are not able to handle a large crop in a timely manner. Extension of the crushing period causes an increase in the acidity of olives which reduces the quality of the oil.

For cottonseed oil the average extraction rate is about 15 percent and for sunflowerseed oil about 24 percent. However, because of the new varieties and improvement in processing sunflowerseed oil, yields reached 38 percent in 1968 and are expected to be even higher in the future.

Turkey exports large quantities of oilseed cake. Some Turks believe that foreign buyers reprocess the cake using the extraction system, obtain enough oil to almost cover the prices they pay, then use the cheap meal in feed. Many people suggest that Turkey should not export the cake, but rather process it for more oil and use the meal in their own feed industry where it is urgently needed. During the 1967-68 marketing year Turkey exported 178,408 metric tons of cottonseed oil cake, 107,946 metric tons of sunflowerseed oil cake, and a few thousand metric tons of other cake.

The Agricultural Trade of Egypt

(Continued from page 7)

growing. The annual bill for these items alone is now approaching \$200 million and is likely to be even higher in the immediate future.

The UAR has been an insignificant dollar market for U.S. agriculture during the past few years, aside from small amounts of tallow, tobacco, and minor miscellaneous items. In 1968, for the third consecutive year, U.S. trade with the UAR declined; value of U.S. shipments to the UAR plunged from \$137.8 million in 1966 to \$7.2 million in 1968, principally because of reduced U.S. shipments of agricultural products under P.L. 480. The UAR's last P.L. 480 agreement with the United States expired in June 1966. Wheat and wheat flour accounted for the major share of the reduction.

Total U.S. farm imports from the UAR have also declined in recent years. They amounted to only \$6.1 million in 1968—all but 3 percent of which was long-staple cotton.

As the result of increased agricultural and industrial production—particularly in the oil sector—supported by greater foreign aid and investment, Egypt's economy is showing signs of strength. With a favorable political climate, the economy will continue to grow and provide a larger market for selected farm commodities in the immediate future. However, prospects for expanding the present small dollar market for U.S. farm products are not good—Egypt has few dollars and limited opportunity for earning more. In addition, the prevailing exchange-control system tends to conserve foreign exchange from hard-currency areas while striving for a balance in trade with countries with which the UAR has bilateral trade agreements.

FAS Plans Overseas Food Exhibits for 1970

The 1970 season of overseas food exhibits sponsored by the Foreign Agricultural Service will open in London, January 6-15, with a display at Hotelympia—an international catering show featuring processed foods for institutional use.

There will be two other January exhibits—one at Berlin's annual Green Week, a large public show featuring displays of U.S. foods by German agents, and the other a solo show at the U.S. Trade Center in Milan, Italy, featuring livestock products.

Next on the schedule is ROKA, an international show in Utrecht, the Netherlands, February 16-20. This is one of the largest European food shows aimed at the retail and wholesale food trade.

In the spring, FAS will move into the Arabian Peninsula for the first time with two trade-only exhibits for the food trade.

The first will be held March 29-April 1 in Kuwait, and the second April 5-8 in Jeddah, Saudi Arabia.

Both of these Middle East exhibits will be held in major hotels, following the pattern of successful shows of the same type held in 1967 and 1968 in the Caribbean, the Far East, and the Alpine Region of Europe.

Another spring event is the annual U.S. exhibit at the international livestock show in Verona, Italy, March 10-20 where U.S. livestock and feedgrains have been actively promoted for several years.

Scheduled for April 6-11 is an exhibit featuring frozen and convenience foods at the U.S. Trade Center in Tokyo. This will offer U.S. firms a chance to promote their products in our largest agricultural market.

At the Feria del Campo in Madrid, Spain, May 20-June 7, a large agricultural

fair held every 2 years, the U.S. exhibit will feature livestock and feedgrains.

Beyond mid-1970, FAS labels its program tentative.

Among events under consideration are the first U.S. food exhibit ever held in Jamaica, West Indies; a dairy exhibit in Cremona, Italy; a follow-up to the successful 1969 trade-only show in Belgium; a large regional food show in Birmingham, England; a series of 3-day hotel-type shows in Germany; a hotel and restaurant promotion in Rome; and a showing of fresh, frozen, and processed foods at the SIAL international fair in Paris.

For more information about these events, U.S. firms should write to the International Trade Fairs Division, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250.

Looking Back POP in 1969

U.S. foods are just as close as the local supermarket for many more foreign consumers as FAS winds up its 1969 point-of-purchase (POP) promotions in foreign retail food stores.

During fiscal 1969, an estimated 20 million customers were exposed to U.S. foods through 26 POP promotions staged in a total of 19,284 stores in nine countries. Stores in Finland, the Ivory Coast, Norway, and Switzerland participated for the first time this year, while repeat performances were held in Belgium, France, the Philippines, Sweden, and West Germany.

The promotions varied in length from

1 to 4 weeks and new food products introduced per store group ranged from the required minimum of 10 to as many as 120.

Alert American manufacturers of processed foods have found that point-of-purchase promotions, supported by FAS, are proving to be an economical way of increasing export sales. Sales of U.S. food products during POP promotions were valued at nearly \$4,200,000 this year. Total sales of U.S. food products in cooperating stores reached about \$30,700,000—an increase of \$7,400,000 from last year.

Point-of-purchase planning usually begins after interest in U.S. foods has been stimulated by displays in trade fairs or trade center exhibits. The Agricultural Attaché and a representative from the International Trade Fairs Division

(ITFD) of FAS follow up inquiries with a visit to the food chain headquarters where they explain the program.

If interested, the cooperating food group prepares a written proposal listing purchases it will make and the market promotion activities it will support. After attaché approval the ITFD reviews this proposal and if satisfactory a contract is prepared for a solid commitment between FAS and the store group.

U.S. Beef in Stockholm

The first restaurant promotion of fresh chilled U.S. beef in Sweden, scheduled for a 2-week period, was such a success that the meat ran out after 3 days.

Newspaper ads of a menu featuring U.S. choice beef ribs attracted crowds of Swedes to the Operakallaren restaurant, one of Stockholm's finest.

The Knickerbocker Meat Company of New York City supplied the one-half metric ton of beef and Seaboard Airlines speedily transported it to Stockholm.

Tore Wretman, proprietor and general manager of the Operakallaren and three other Stockholm restaurants, has been serving American beef for 2 years, but this was the first time the meat was delivered chilled and not frozen.

The enthusiastic reception given by the Swedes to chilled U.S. beef at the St. Erik's Fair last year undoubtedly prompted Mr. Wretman to feature it in his restaurant.

Swedish shoppers received a "western" welcome during the point-of-purchase promotion held last November in supermarkets of the VIVO chain.



Foreign Spinners Swing Through U.S. Cotton Belt

Two teams of cotton spinners, representing major cotton importing countries in the Far East and Europe, got an in-depth view of U.S. cotton this fall on tours sponsored by the National Cotton Council, Cotton Council International, the Foreign Agricultural Service of USDA, and many U.S. cotton groups and organizations across the Cotton Belt.

From September 28 to October 16 spinner representatives from Belgium, France, Germany, the Netherlands, Sweden, Switzerland, and the United Kingdom toured the Cotton Belt. Their counterparts from the Far East, including spinners from Korea, Hong Kong, India, Vietnam, Japan, Thailand, Indonesia, and the Philippines followed basically the same itinerary from October 20 to November 6.

The teams received their introduction to U.S. cotton in Memphis where staff members of the American Cotton Shippers Association, the National Cotton Council, and the USDA discussed such topics as U.S. cotton policies in the past and indications for the future; export policy; new varieties of U.S. cotton; a review of packaging and handling—including a report on work being done to improve the condition of the U.S. bale package; and the spinning value of U.S. cotton.

The grand tour

From Memphis both groups toured cotton producing areas, stopping at Greenville, Stoneville, and Greenwood, Mississippi; New Orleans, Louisiana; Galveston, Houston, Dallas, El Paso, and Lubbock, Texas; Phoenix, Arizona; Los Angeles, Bakersfield, and Fresno, California. At each stop they learned about the research, production, and marketing of cotton in that area from representatives of local trade and cotton organizations.

The tour covered every aspect of the U.S. cotton industry—from plant breeding to growing, weed and insect control, harvesting, ginning, handling and marketing, and product utilization research.

Some of the highlights included a trip to USDA's Memphis operation where the Universal Grade Standards for American Upland and Pima cottons were being prepared; visits to several cotton breeding research stations across the belt and a tour of modern cotton marketing facilities in the Mississippi Delta, Texas High Plains, and San Joaquin Valley of California.

The spinners also saw different varieties of cotton growing in the fields and cotton ginning research and demonstrations, with emphasis placed on ginning machine-picked cotton.

Cotton research

At USDA's Southern Utilization Research Laboratory, in New Orleans, the spinners saw the work being conducted on cotton processing and utilization research. They were given a demonstration of the electron microscope used to make studies of the fine structure of the cotton fiber and were shown the results of research done on flame-proofing cotton fabrics.

Another topic of interest to the visitors was the types of cotton best suited

to open-end cotton spinning. Open-end cotton spinning, as it is known today, requires clean, high-grade cotton. However, researchers predict that when the system becomes perfected and is implemented, the trash content of the raw cotton and staple length will warrant much less consideration than they do today. This could become an important consideration in future U.S. cotton production—especially with regard to the development of "broadcast" cotton varieties.

U.S. cotton leaders feel that the tours gave the Far Eastern and European spinners a better understanding and appreciation of U.S. cotton and that as a result they will encourage their home industries to increase their purchases of U.S. cotton.



Above, European spinner representatives J. W. Tobeck, Germany; Stephen Bowkett, Belgium; Alain Le Blan, France; and J. G. Bridge, Great Britain, watch a U.S. cotton grader at work in Memphis. Below, also in Memphis some of the Far Eastern representatives, Hajime Ishihara, Japan; Dr. Dharmarajulu, India; Truong Tien Huan, Vietnam; Prachai Leopairut, Thailand.



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Foreign Agriculture

Weekly Report on Rotterdam Grain Prices

Current prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago, are as follows:

Item	Dec. 22	Change from previous week	A year ago
	<i>Dol.</i>	<i>Cents</i>	<i>Dol.</i>
	<i>per bu.</i>	<i>per bu.</i>	<i>per bu.</i>
Wheat:			
Canadian No. 2 Manitoba ...	1.95	0	2.03
USSR SKS-14	1.78	0	1.94
Australian Prime Hard	(¹)	(¹)	(¹)
U.S. No. 2 Dark Northern			
Spring:			
14 percent	1.86	0	1.95
15 percent	1.92	0	1.97
U.S. No. 2 Hard Winter:			
13.5 percent	1.74	- 1	1.88
Argentine	1.72	- 1	1.78
U.S. No. 2 Soft Red Winter	1.58	+ 2	1.78
Feedgrains:			
U.S. No. 3 Yellow corn	1.46	- 1	1.37
Argentine Plate corn	1.51	-28	1.50
U.S. No. 2 sorghum	1.44	- 2	1.35
Argentine-Granifero	1.39	- 7	1.28
Soybeans:			
U.S. No. 2 Yellow	2.82	+ 4	3.03

¹ Not quoted.

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

Rhodesia Reduces Tobacco Quota

Rhodesia's flue-cured tobacco production target for the next two seasons, 1970-71 and 1971-72, has been set at 100 million pounds each. In announcing this goal the Minister

of Agriculture has agreed to support the tobacco crop at a guaranteed national average producer price of 32 U.S. cents per pound. This compares with a guaranteed grower's price of 29 U.S. cents per pound on a 132-million-pound production goal during the past two seasons. Growers are unhappy with this action and have urged the Government to reconsider.

Denmark to Reduce Sugar Production

Denmark will put a new scheme into effect on May 1, 1970, for a gradual cutback in sugar production to meet the demand for direct domestic consumption. The scheme is to continue through 1979-80. Formerly the government guaranteed beet and sugar prices on an annual production of 248,000 metric tons of sugar. In 1970 the quota will be reduced to 240,000 metric tons, and during the next 7 years it will be reduced to an annual production of 170,000 metric tons. This amount is expected to equal domestic demand for direct consumption.

About 75,000 metric tons of Danish sugar production is utilized by the chocolate and sugar goods industry. Up until now, the confectionery industry has been supplied with domestically produced sugar at world market prices. The price difference between the production and the world market price has been paid by the sugar regulation fund which has accrued a large deficit.

The Danish sugar industry will continue to maintain control of the total sugar supplies in Denmark. The state, however, will be wholly responsible—during the following 7 years—for eliminating the deficit now in the sugar price regulation fund. Because of the prospects for reduced production, it is likely that one of the six Danish sugar mills will be closed.